

## Message Text

SECRET

PAGE 01 CAIRO 00042 031618Z  
ACTION NODS-00

INFO OCT-01 ISO-00 /001 W  
-----031619Z 056644 /53  
O 031402Z JAN 77  
FM AMEMBASSY CAIRO  
TO SECSTATE WASHDC IMMEDIATE 179

S E C R E T CAIRO 0042

NODIS

FOR THE SECRETARY FROM AMBASSADOR

EO 11652: GDS  
TAGS: PFOR, EG, IS  
SUBJ: AMOCO DRILLING IN GULF OF SUEZ

REF CAIRO 17881 AND PREVIOUS,

1. I MET WITH FAHMY TODAY AT MY REQUEST TO QUERY HIM ABOUT THE LIPPMAN WASHINGTON POST NTERVIEW WITH SADAT (SEPTTEL). FAHMY BRUSHED THIS ASIDE AND IMMEDIATELY ASKED ABOUT THE AMOCO DRILLING ISSUE. HAD YOU BEEN ABLE TO DO ANYTHING ABOUT THE MATTER? HE RECALLED HIS SIMPLIFIED PROPOSAL THAT GOE SIMPLY INFORM US IN ADVANCE WHENEVER AMACO OR OTHER AMERICAN COMPANY INTENDS SEND RIG TO EASTERN GULF OF SUEZ AND WE COULD THEN MAKE ARRANGEMENTS WITH ISRAEL (REFTEL). I TOLD HIM THAT YOU HAD JUST RETURNED FROM LEAVE AND COULD HARDLY BE EXPECTED TO HAVE HAD THE TIME TO STUDY HIS PROPOSAL. SPEAKING PERSONALLY, HOWEVER, I COULD ONLY REPEAT THAT I HAD PREVIOUSLY TOLD HIM THAT HIS SIMPLIFIED PROPOSAL IS HARDLY LIKELY TO BE ACCEPTABLE TO THE ISRAELIS. WE CONTINUE TO BELIEVE THAT OUR FOUR POINT PROPOSAL REPRESENTS THE BEST PRACTICAL WAY TO PROCEED WITHOUT DELAY AND DOES NOT COMPROMISE EITHER GOE OR USG LEGAL POSITIONS ON THE ISSUE.

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2. FAHMY AGAIN WENT THROUGH HIS LITANY OF ARGUMENTS: GOE CANNOT ACCEPT "PRINCIPLE" OF ASKING ISRAEL PERMISSION TO OPERATE IN EGYPTIAN CONCESSION AREAS IN THE GULF OF SUEZ; OUR FOUR POINT PROPOSAL, IN HIS VIEW, DOES COMPROMISE BOTH GOE AND WHAT HE UNDERSTANDS TO BE USG LEGAL POSITION ON ISRAEL'S ACTIVITIES IN EASTERN GULF OF SUEZ; HIS SIMPLIFIED

PROPOSAL DISTILLS OUR FOUR POINTS TO THEIR ESSENTIALS AND SHOULD, IF WE WISH, OFFER PRACTICAL WAY TO RESOLVE THE ISSUE. WITH SOME ASPERITY, HE SAID WE SHOULD NOT ALWAYS ACCEPT THE ISRAELI VIEWPOINT WHEN WE OURSELVES ACKNOWLEDGE THEY ARE LEGALLY WRONG. I REMINDED HIM WE HAVE NOT ACCEPTED THE ISRAELI LEGAL POSITION; BUT BELIEVE ANY EFFORT TO RESOLVE THE PROBLEM ON THE BASIS OF ITS LEGAL MERITS WILL BE INTERMINABLE AND STERILE. WHAT IS NEEDED IS A PRACTICAL WAY TO PROCEED ACCEPTABLE TO ALL PARTIES AND WHICH DOES NOT COMPROMISE THE LEGAL POSITIONS OF ANY. FAHMY REPEATED HIS POINT THAT HIS SIMPLIFIED PROPOSAL SHOULD SERVE THE SAME PURPOSE.

3. THIS LED HIM TO COMMENT ON WHAT HE CALLED OUR UNWILLINGNESS TO PROTECT AN AMERICAN INTEREST IN THIS INSTANCE. WE GO OUT OF OUR WAY, HE CHARGED, TO DO SO ANYWHERE ELSE, BUT NOT WHERE ISRAEL IS INVOLVED. HE WISHED ME TO KNOW THAT AT THE PRESIDENT'S MEETING WHICH HIS SENIOR MINISTERS TWO DAYS AGO, TWO PARTICIPANTS HAD ARGUED THAT IF USG IS NOT PREPARED TO PROTECT AMERICAN INTERESTS, THE PERTINENT CONCESSIONS WITH AMERICAN COMPANIES SHOULD BE CANCELLED. (HE DID NOT NAME PERSONS ADVOCATING THIS.) HE, FAHMY, HAD STRONGLY ARGUED AGAINST ANY SUCH ACTION AS SELF-DEFEATING. FOR THE MOMENT, ANY SUCH CANCELLATION IDEA HAS BEEN DROPPED. WE SHOULD NOT BE SURPRISED, HOWEVER, IF IN THE ABSENCE OF A SATISFACTORY RESOLUTION OF THE AMOCO DRILLING ISSUE, IT ARISES AGAIN. HE EMPHASIZED THAT HIS PURPOSE IN TELLING ME THE ABOVE WAS NOT TO PUT PRESSURE ON US, BUT SIMPLY TO LET US KNOW THE PREVAILING MODD IN SOME SENIOR SECRET

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GOE CIRCLES.

4. I TOLD FAHMY THAT WE REMAIN AS CONCERNED ABOUT PROTECTING AN AMERICAN COMPANY'S INTEREST IN THE GULF OF SUEZ AS WE DO ANYWHERE ELSE IN THE WORLD. WHETHER HE AGREED OR NOT, OUR FOUR POINT PROPOSAL HAD THIS IN MIND AS WELL AS ASSISTING EGYPT. I WAS GLAD THAT HE HAD ARGUED AGAINST THE SUGGESTION OF TWO OF HIS COLLEAGUES TO CANCEL THE AMOCO CONCESSION. ANY SUCH ACTION WOULD NOT ONLY BE SELF-DEFEATING, AS HE HAD POINTED OUT, BUT WOULD BADLY HURT GOE'S IMAGE IN THE US AT A VERY CRITICAL TIME. I COULD ONLY HOPE THAT MORE RATIONAL COUSELS WILL CONTINUE TO PREVAIL IN THE PRESIDENT'S INNER CIRCLE AND THAT ANY SUCH SHORTSIGHTED ACTION WILL BE FIRMLY REJECTED. HIS COLLEAGUES SHOULD KNOW THAT ANY SUCH BLATANT PRESSURE TACTIC, IF THAT IS WHAT ITS ADVOCATES HAVE IN MIND, WILL NOT WORK. I WOULD BE GLAD TO TELL THEM SO PERSONALLY IF HE WOULD IDENTIFY THEM AND WISHED ME TO DO SO.

5. I ASSURED FAHMY I WOULD LET HIM KNOW AS SOON AS I HAD  
A RESPONSE TO HIS SIMPLIFIED PROPOSAL.

6. COMMENT: RESOLUTION OF THE AMOCO DRILLING ISSUE  
REMAINS TOP PRIORITY WITH FAHMY, WHO DESPERATELY WANTS  
ISSUE RESOLVED BEFORE YOU LEAVE OFFICE. I NOTE ISSUE WAS  
APPARENTLY DISCUSSED IN GENERAL TERMS AT DEC 28 JC MEETING  
WITH INCONCLUSIVE RESULTS (USMISSION SINAI 2452). LEVINSON IS  
WRONG IN HIS IMPRESSION THAT THE EGYPTIANS ARE MORE CONCERNED  
ABOUT THE REACTIONS OF OTHER ARAB COUNTRIES, IN PARTICULAR  
SYRIA, TO THE INCIDENT THAN ABOUT THE INCIDENT ITSELF.  
PRIMARY EGYPTIAN CONCERN IS TO GET OIL DRILLING RESUMED IN  
EASTERN GULF OF SUEZ IF THEY ARE TO HAVE ANY HOPE OF REACHING  
PROJECTED 1 MILLION BPD PRODUCTION GOAL BY 1980.  
EILTS

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## Message Attributes

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